



## DEPARTMENT OF TRANSPORTATION

### Saint Lawrence Seaway Development Corporation

#### 33 CFR Part 401

#### RIN 2135-AA40

#### Civil Penalties

**AGENCY:** Saint Lawrence Seaway Development Corporation (SLSDC), Department of Transportation (DOT).

**ACTION:** Final rule.

**SUMMARY:** This final rule updates the maximum civil penalty amounts for violations of statutes and regulations administered by SLSDC pursuant to the Federal Civil Penalties Inflation Adjustment Improvement Act of 2015. This final rule amends our regulations to reflect the new civil penalty amounts for violations of the Seaway Regulations and Rules under the authority of the Ports and Waterways Safety Act of 1972, as amended (PWSA).

**DATES:** This rule is effective on January 15, 2017.

**FOR FURTHER INFORMATION, CONTACT:** Carrie Lavigne, Chief

Counsel, SLSDC, telephone (315) 764-3231, 180 Andrews Street, Massena, NY 13362.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On November 2, 2015, the Federal Civil Penalties Inflation Adjustment Improvement Act (the 2015 Act), Pub. L. 114-74, was signed into law. The purpose of the 2015 Act is to improve the effectiveness of civil monetary penalties (CMPs) and to maintain their deterrent effect. The 2015 Act required agencies to make an initial catch up adjustment to the CMPs they

administer through an interim final rule and then to make subsequent annual adjustments for inflation that shall take effect not later than January 15. The initial catch up adjustments for inflation to the SLSDC's CMP was published in the **Federal Register** on June 28, 2016 and as required, did not exceed 150 percent of the amount of the CMP on the date of enactment of the Federal Civil Penalties Inflation Adjustment Act of 2015. The revised methodology for agencies for 2017 and each year thereafter provides for the improvement of the effectiveness of CMPs and to maintain their deterrent effect. Effective 2017, agencies annual adjustments for in inflation to CMPs apply only to CMPs with a dollar amount.

The SLSDC's 2017 adjustments for inflation to the CMP set forth in this regulation were determined pursuant to the revised methodology prescribed by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, which requires the maximum CMP to be increased by the cost-of-living adjustment. The term "cost-of-living adjustment" is defined by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. For the 2017 adjustments for inflation to CMPs, the percentage for each CMP by which the Consumer Price Index for the month of October 2016 exceeds the Consumer Price Index for the month of October 2015.

### **Classification**

Pursuant to 5 U.S.C. 553(b)B, there is good cause to issue this rule without prior public notice or opportunity for public comment because it would be impracticable and unnecessary. The Federal Civil Penalties Inflation Adjustment Act of 2015 (Section 701(b)) requires agencies effective 2017, to make annual adjustments for inflation to CMPs notwithstanding section 553 of Title 5 United States Code. Additionally, the methodology used, effective 2017, for adjusting CMPs for inflation is given by statute, with no discretion provided to agencies regarding the

substance of the adjustments for inflation to CMPs. The SLSDC is charged only with performing ministerial computations to determine the dollar amount of adjustments for inflation to CMPs. Accordingly, prior public notice and opportunity for public comment are not required for this rule.

## **Regulatory Analysis**

### *E.O. 12866, Regulatory Review*

SLSDC has considered the impact of this rulemaking action under Executive Order 12866, Executive Order 13563, and the Department of Transportation's regulatory policies and procedures. This rulemaking document was not reviewed under Executive Order 12866 or Executive Order 13563. This action is limited to the adoption of adjustments of civil penalties under statutes that the agency enforces, and has been determined to be not "significant" under the Department of Transportation's regulatory policies and procedures and the policies of the Office of Management and Budget. Because this rulemaking does not change the number of entities that are subject to civil penalties, the impacts are limited.

We also do not expect the increase in the civil penalty amount in 33 CFR 401.102 to be economically significant. Since January 1, 2010 to the present, the SLSDC assessed a total of approximately \$27,000 in civil fines and penalties. Thus, increasing the current civil penalty amount would not result in an annual effect on the economy of \$100 million or more.

### *Regulatory Flexibility Act*

We have also considered the impacts of this notice under the Regulatory Flexibility Act. I certify that this rule will not have a significant economic impact on a substantial number of small entities. The following provides the factual basis for this certification under 5 U.S.C. 605(b). The St. Lawrence Seaway Regulations and Rules primarily relate to the activities of

commercial users of the Seaway, the vast majority of whom are foreign vessel operators. Therefore, any resulting costs will be borne mostly by foreign vessels.

*Executive Order 13132 (Federalism)*

Executive Order 13132 requires SLSDC to develop an accountable process to ensure “meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications.” “Policies that have federalism implications” is defined in the Executive Order to include regulations that have “substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.” Under Executive Order 13132, the agency may not issue a regulation with Federalism implications, that imposes substantial direct compliance costs, and that is not required by statute, unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by State and local governments, the agency consults with State and local governments, or the agency consults with State and local officials early in the process of developing the proposed regulation.

This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132.

The reason is that this rule will generally apply to commercial users of the Seaway, the vast majority of whom are foreign vessel operators. Therefore, any resulting costs will be borne mostly by foreign vessels. Thus, the requirements of Section 6 of the Executive Order do not apply.

*Unfunded Mandates Reform Act of 1995*

The Unfunded Mandates Reform Act of 1995, Public Law 104-4, requires agencies to prepare a written assessment of the cost, benefits and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of more than \$100 million annually. Because this rule will not have a \$100 million effect, no Unfunded Mandates assessment will be prepared.

*Executive Order 12778 (Civil Justice Reform)*

This rule does not have a retroactive or preemptive effect. Judicial review of a rule based on this proposal may be obtained pursuant to 5 U.S.C. 702. That section does not require that a petition for reconsideration be filed prior to seeking judicial review.

*Paperwork Reduction Act*

In accordance with the Paperwork Reduction Act of 1980, we state that there are no requirements for information collection associated with this rulemaking action.

*Privacy Act*

Please note that anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000 (Volume 65, Number 70; Pages 19477-78), or you may visit <http://dms.dot.gov>.

**List of Subjects in 33 CFR Part 401**

Hazardous materials transportation, Navigation (water), Penalties, Radio, Reporting and recordkeeping requirements, Vessels, Waterways.

Accordingly, the Saint Lawrence Seaway Development Corporation is amending 33 CFR part 401 as follows:

**PART 401 – SEAWAY REGULATIONS AND RULES**

**Subpart A – Regulations**

1. The authority citation for subpart A of part 401 is amended to read as follows:

**Authority:** 33 U.S.C. 981-990, 1231 and 1232, 49 CFR 1.52, unless otherwise noted.

2. In § 401.102, paragraph (a) is revised to read as follows:

**§ 401.101 Criminal penalty.**

(a) A person, as described in § 401.101(b) who violates a regulation is liable to a civil penalty of not more than \$90,063.

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Issued on December 30, 2016

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Carrie Lavigne  
Chief Counsel

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